

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2006-375-G - ORDER NO. 2006-774

DECEMBER 19, 2006

IN RE:	Request for Approval of a Contract for the)	ORDER
	Ownership and Operation of Gas Facilities)	APPROVING
	Between SCE&G and the United States)	CONTRACT
	Department of Defense Charleston Air Force)	
	Base)	

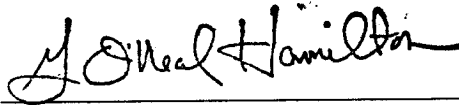
This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of South Carolina Electric & Gas Company (SCE&G or the Company) for approval of a contract for the ownership and operation of gas facilities between the Company and the United States Department of Defense Charleston Air Force Base (CAFB), pursuant to 26 S.C. Code Ann. Regs. 103-403 and 103-446 (1976).

As the result of a Department of Defense initiative, the federal government issued a Request for Proposals in 2004 for privatization of its 7.3 miles of natural gas lines on the Air Force Base. SCE&G received the award of this contract in September 2006. Under the terms of the contract, according to the Company, SCE&G will own and operate the system in accordance with existing laws and regulations and following existing standard procedures. SCE&G asserts that this agreement does not affect the current contract between SCE&G and CAFB regarding the purchase of natural gas. The Office of Regulatory Staff (ORS) has no objections to the agreement before us, and ORS states a belief that the contract will have no negative impacts on other customers.

We have examined the contract and we hereby approve it. As stated by SCE&G, SCE&G will own and operate the system in accordance with existing laws and regulations under the terms of this contract. Further, as was stated, the contract does not affect the current agreement between the two entities regarding the purchase of natural gas. Accordingly, the contract is approved.

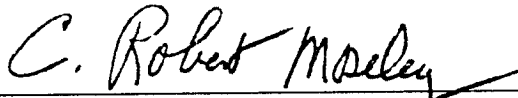
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)